

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0602-01
Bill No.: HB 325
Subject: Education, Elementary and Secondary: School Bonds
Type: Original
Date: February 1, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Elementary and Secondary Education** stated that the proposal would not affect the amount of funds received by the state or school districts. They noted that the proposal could change how school districts use funds.

Under existing law all proceeds of school district general obligation bonds are, under terms of 165.011.1, RSMo, are placed in a district's Capital Projects Fund and spent solely as allowed in sections 164.121 to 164.131.

Section 165.016 provides for calculation of certificated salary compliance based on a district's current operating cost. The definition of "current operating cost" excludes capital outlay spending. If twenty-five percent (25%) of general obligation bonds are exempted for certificated salary compliance purposes then a school board could use Incidental Fund money equivalent to 25% of bond issue moneys for capital projects.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would exempt up to twenty-five percent (25%) of the proceeds of general obligation school bonds approved after the effective date of the proposal from provisions of section 165.016, RSMo, which mandate levels of spending for tuition, teacher retirement and pay for certificated staff and allocate those exempted proceeds to the Capital Projects Fund.

This legislation is not federally mandated, would not duplicate any other program and would not
DESCRIPTION (continued)

require additional capital improvements or rental space. The proposal would not affect Total

State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 1, 2001